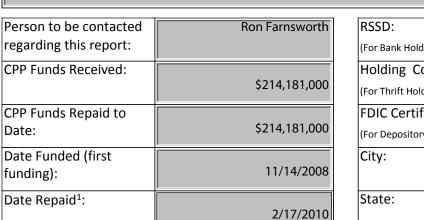
ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Umpqua Holdings Corporation



RSSD:	
(For Bank Holding Companies)	2747644
Holding Company Docket Number:	
(For Thrift Holding Companies)	
FDIC Certificate Number:	
(For Depository Institutions)	
City:	Portland
State:	Oregon

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

•	Increase lending or reduce lending less than otherwise would have occurred.	With the additional capital we did not need to intentionally scale back lending, which we may have done without the additional capital buffer. It is impossible to prove in hindsight given the circumstances, but this capital allowed us to continue making loans subject to inherently lower demand.
---	---	---

	To the extent the funds supported	
	increased lending, please describe the	
	major type of loans, if possible	
	(residential mortgage loans, commercial	
	mortgage loans, small business loans,	
	etc.).	
	0.0.7.	
X	Increase securities purchased (ABS, MBS,	We did not need the preferred stock capital to continue making loans, and did not intend to
J	etc.).	leverage it. Hence the proceeds from the preferred stock sale were immediately invested into
		agency MBS/CMO's, increasing our overall liquidity.
	Make other investments	
	Increase reserves for non-performing	
	assets	

	Reduce borrowings	
	Increase charge-offs	
	Purchase another financial institution or	
	purchase assets from another financial	
	institution	
X	Held as non-leveraged increase to total	As noted above in the investment security section, we did not leverage the capital. Rather it
	capital	represented an increase in overall liquidity and was invested into agency MBS/CMO's.
	Capitai	represented an increase in overall inquality and was invested into agency mass, evilos.

What actions were you able to avoid because of the capital infusion of CPP funds?			
We did not need to raise additional equity capital during the fall/winter of 2008. We did not need to scale back lending opportunities given the additional capital.			

assumed the insure ital cushion from CI	d non-brokered deposits P allowed that assumption	of Bank of Clark County on to not cause an addit	in an FDIC-assisted dea ional capital raise.	al in January 2009 (\$182 r	million). The addition
				onal capital from the CPP	funds.

ı

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.				

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.